

# Harborough District Council

## Report to Cabinet 10 October 2022



<b>Title:</b>	<b>Strategic Collaboration Update - Identification and selection of potential partner</b>
<b>Status:</b>	Public
<b>Key Decision:</b>	No
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<b>Portfolio Holder:</b>	Strategy – Cllr P King
<b>Appendices:</b>	Appendix 1 – Criteria for strategic partnership Appendix 2 – Strategic Fit selection criteria comparison

### Executive Summary

At the council meeting on 20th June 2022 a report on the options for the senior management structure was presented and a delegation was agreed to the leader and interim Chief Executive to identify and select a strategic partner, based on the criteria set out in the report, and to progress negotiations with that partner and report back to Council on the suggested way forwards at a later date.

This report provides an update on the selection and negotiations for a strategic partner and sets out the next steps of the process.

### Recommendations

That Cabinet

1. Note the progress on the strategic partnership review which has identified Melton Borough Council as the preferred partner.
2. Endorse the outcome of the review and authorise working with Melton Borough Council to develop a full business case, and the potential approach for operating such a partnership, which will be presented to council at a later date.

### Reasons for Recommendations

To enable the preparation of a comprehensive business case which will formally set out how a strategic partnership could benefit each of the Councils in delivering their priorities. This business case will then be presented to Council.

## 1. Purpose of Report

To present cabinet with a progress update on the review undertaken to identify a strategic partner pursuant to the delegation given to the Leader and Interim Chief Executive at the 20<sup>th</sup> June 2022 Council.

Following the identification of a preferred partner to seek authority to proceed to the development of a full business case.

## **2. Background**

Collaboration between councils is nothing new and within Leicestershire there is a strong track record of collaboration across the district councils, alongside wider partners. Following the retirement of the previous Chief Executive in February 2022, the Council has undertaken an options appraisal in relation to resourcing senior management positions going forward.

At the meeting on 20th June 2022 a report on the options appraisal for the senior management structure was presented to council. The report included the options ranging from a more internally focused Chief Operating Officer/Managing Director role, to a like for like recruitment of the current Chief Executive role, through to a more expansive partnership approach with shared senior roles and integrated management teams across more than one organisation.

The report considered the benefits and risks of each option, with examples of where these models had been used successfully. Based on this assessment, and the opportunity to learn from other councils who had implemented similar models, it was agreed that the Council should explore the potential of establishing a strategic partnership with a neighbouring council. This would include the potential to share a Chief Executive and senior roles, with a view to enabling the potential benefits of such an approach to be realised.

Potential benefits of strategic partnerships include:

1. The opportunity to work jointly on common issues and challenges and therefore accelerate the pace of progress and increase impact
2. Releasing capacity by reducing duplication
3. Increasing our influence regionally & nationally and creating a stronger, more united voice
4. Sharing learning and good practice within a positive partnership
5. Increasing resilience of our teams by working together
6. Creating opportunities for job enrichment, and progression, and thereby supporting recruitment and retention

Council agreed a delegation for the Leader and interim Chief Executive to select a strategic partner, based on the criteria set out in the report, and to progress negotiations with that partner and report back to Council on the suggested way forward at a later date.

Since that date the Leader and interim Chief Executive have undertaken an analysis of the strategic fit criteria and an evaluation of the other criteria in the June report to finalise the selection of the preferred strategic Partner.

### 3. Details

The basis for identifying an appropriate strategic partner was established through the June 2022 report to Cabinet, Appendix 1. This sets out the basis for establishing a preferred partner by considering:

- Strategic fit
- Feasibility
- Viability

The analysis of the strategic fit criteria is shown at Appendix 2 and an initial first sift of potential partners was undertaken.

Following on from this initial analysis, the other criteria specified in the June report was applied to those partners remaining following the first sift and through that a preferred partner has been identified

This analysis showed that Melton Borough Council was the best fit for establishing a potential strategic partnership due to the greater similarities in our respective places, broad alignment between our corporate strategies, strong positive relationships, a track record of collaborative arrangements and the initial assessment of opportunities that may exist by our organisations working more closely together. A summary of this initial assessment is set out below:

**Ambition and relationships:** Both Councils have a similar number of members (34 Harborough, 28 Melton), the same governance system (Leader and Cabinet) and stable majorities with positive leader and senior officer relationships. Whilst Harborough's General Fund budget is larger than Melton's, they have an HRA account which Harborough does not. Both councils have a similar profile in terms of net spend per dwelling and proportion of spending power funded by council tax.

**Place alignment:** Both Harborough and Melton have a strong sense of identity and are underpinned by attractive rural market towns. Together they cover much of rural South and East Leicestershire (Harborough 228 sq miles / Melton 186 sq miles) and due to their rurality have a similar population density. While Harborough's population of 97,000 is higher than Melton's 52,000, their geographic and demographic similarities mean they share common attributes, challenge and opportunities. This includes an ageing population with both places having seen large increases in the proportion of over 65s in the last 10 years and a need to attract and retain younger people into their communities. Housing availability and affordability is a challenge in both places, as is connectivity, both digital and in terms of access to public transport. Working in a strategic partnership has the potential to enable joint working on areas of common interest, reducing duplication and increasing impact and influence.

**Service and organisational opportunities:** Harborough and Melton already have a number of shared arrangements including Lifeline Monitoring, Out of Hours cover and parking enforcement. There are already active discussions regarding the potential to collaborate in other areas including waste and environment, regulatory services and CCTV monitoring. The opportunity to collaborate on service delivery has the potential to increase resilience and reduce single points of failure, given the small teams both councils have in key areas e.g. health and safety, land charges, safeguarding, and equalities etc. Greater collaboration also has the potential to increase efficiency, cut costs, enable shared learning, improve



effectiveness and enable job enrichment and progression, supporting recruitment and retention.

**Initial risk assessment:** Any change has the potential to destabilise and both councils will need to remain focussed on identifying both the benefits and risks associated with any new strategic partnership, ensuring that any instability during transition is minimised. As part of the business case development a full risk assessment will be developed. Risks relating to governance, shared priorities, protection of sovereignty, capacity, resourcing, cultural alignment and external perceptions will need to be evaluated and mitigations identified.

Based on this initial assessment, the Leader wrote to the Leader of Melton Borough Council on 1<sup>st</sup> September 2022 to initiate a discussion on their potential interest to pursue the potential to establish a strategic partnership further with us

Melton Borough Council agreed to discuss the options further and a positive and productive meeting of both Leaders and officers was held on 16<sup>th</sup> September 2022. At this meeting it was agreed that both councils would seek formal support from their Cabinet's to explore the potential opportunity further and to commission the development of a full business case, where the assertions made above can be developed, tested and scrutinised, enabling a fully informed decision in both organisations to be taken.

As part of the development of the business case, both councils will engage widely with members, officers and stakeholders and initial briefings have already taken place, with further detailed arrangements currently being developed.

During October and November, the following sessions will take place:

- All member engagement sessions including presentations from councils operating within strategic partnerships
- Joint Cabinet development sessions
- Scrutiny workshops to review developing business case
- Audit and Standards to review draft operating principles
- Joint management development sessions
- Staff and service engagement sessions
- Stakeholder engagement sessions
- Ongoing briefings and internal communications

Officers at both organisations will work together to develop the action plan for the development of the business case. Funding for this has been allocated to ensure the necessary external expertise and capacity can be secured, and that learning from other councils operating in similar ways can be incorporated.

Similar reports, committing to the development of a business case are being considered by both Cabinets in early October. Subject to commitment being formalised, once the business case and potential operating arrangements have been finalised, they will be considered by both Cabinets, prior to consideration by both Councils. It is anticipated this will take place in December 2022. If agreed a full implementation plan will be created to enable the changes to be managed through both organisations successfully.

The business case will include as a minimum a rationale for the change, financial analysis, a review of opportunities to collaborate on key strategic issues, potential service benefits, risks and opportunities as well as further actions needed to progress the partnership, such as the legal agreements necessary to facilitate the joint arrangements proposed and any initial shared staffing or service arrangements.

The implementation plan, once developed, will contain more details on how the changes will be managed, what actions will be needed and the resources required to ensure delivery.

For the reasons set out in the report, Cabinet are asked to endorse the development of the business case to enable a full consideration of the opportunities and risks associated with a strategic partnership.

## **4. Implications of Decisions**

### **4.1 Corporate Priorities**

The collaborative working with a strategic partner will impact on all aspects of the corporate plan and the delivery of its objectives. Both councils have very similar ambitions and goals and the increased capacity, skills and knowledge from a partnership will enable both organisations to deliver on these.

### **4.2 Financial**

The need for external capacity and expertise requires funding. It is also likely that as we undertake the development of the business case expertise in both legal and Human Resources will also be required, over and above those that can be provided in house. Therefore, each council has committed to setting aside a sum of £50,000 to ensure that sufficient resources are available.

### **4.3 Legal**

There are no specific legal implications for the development of the business plan. External legal advice will be sought in the development of the business plan itself, and will be included in that for future decisions need.

### **4.4 Policy**

There are no specific policy implications for the development of the business plan.

### **4.5 Environmental Implications including contributions to achieving a net zero carbon Council by 2030**

There are no specific implications in the development of the business plan.

### **4.6 Risk Management**

Capacity to deliver is the main risk. This has been mitigated by the proposal to use external consultants and subject matter experts.

### **4.7 Equalities Impact**



There are no specific equality implications for the development of the business case. The business case itself will consider any equality implications for the decisions that each council may make in the future.

#### **4.8 Data Protection**

There are no implications for the data protection act from this report.

### **5. Summary of Consultation and Outcome**

There has been no specific consultation undertaken, other than the meeting with leaders and officers referred to in the report.

### **6. Alternative Options Considered**

Appendix 2 shows the analysis of the options considered when selecting strategic fit for a partner. The options on the approach to select a strategic partner were considered in the report to Council on 20<sup>th</sup> June 2022.

### **7. Background papers**

Council report on Senior officer structure options 20<sup>th</sup> June 2022